

[Note: This is a slightly amended version of the *Federal Register* notice which appeared on May 12, 1997. No substantive changes have been made, but instructions have been clarified.]

[Billing Code 3190-01-M]

## **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

### **Initiation of the Second Round of Accelerated Tariff Elimination Talks under Provisions of the North American Free Trade Agreement**

**AGENCY:** Office of the United States Trade Representative

**ACTION:** Notification of an opportunity to file petitions requesting accelerated tariff elimination under the North American Free Trade Agreement.

**SUMMARY:** Section 201(b) of the North American Free Trade Agreement Implementation Act of 1993 ("the Act") grants the President, subject to the consultation and lay-over requirements of section 103(a) of the Act, the authority to proclaim any accelerated schedule for duty elimination that may be agreed to by the United States, Mexico and Canada under Article 302(3) of the North American Free Trade Agreement ("the NAFTA"). This notice opens the second round of consideration for accelerated tariff elimination under the NAFTA, and describes the procedures for filing petitions. The closing date for filing petitions requesting consideration is June 13, 1997. The three NAFTA governments will announce the products being provided accelerated reductions on or before December 15, 1997, with implementation planned for early 1998.

**FOR FURTHER INFORMATION CONTACT:** Office of Western Hemisphere Affairs, Office of the United States Trade Representative, Room 522, 600 17th Street, N.W., Washington, D.C. 20508; telephone: (202) 395-3412; fax: (202) 395-9675.

**SUPPLEMENTARY INFORMATION:** Annex 302.2 of the NAFTA establishes the timetable for the staged elimination of tariffs on all dutiable goods traded between Mexico and the United States and most dutiable goods traded between Mexico and Canada. Duties on goods traded between the United States and Canada remain subject to the tariff elimination timetables agreed to under the U.S.-Canada Free Trade Agreement (CFTA). All goods covered by the tariff elimination provisions agreed to by the United States and Canada will be duty free as of January 1, 1998.

Article 302(3) of the NAFTA provides that, at the request of any party to the NAFTA, the parties shall consult to consider accelerating the elimination of customs duties set out in the Agreement. Section 201(b) of the Act grants the President, subject to certain consultation and layover requirements, the authority to proclaim any such agreed acceleration of the elimination of a U.S. duty. The Statement of Administrative Action (SAA) which was approved by the Congress along with the NAFTA and Sec. 201(b)(2) of the Act state that the President may not consider a request to accelerate the staging of duty reductions for an article for which the U.S.

tariff phaseout period is more than 10 years if a request for acceleration with respect to such an article has been considered and denied in the preceding 3 calendar years. (That is, a request denied in 1997 cannot be reconsidered before 2001.) However, no such products were considered during the first NAFTA tariff acceleration round. No decision has been made at this time regarding a third round.

Based on the above, and on the experience gained in conducting the prior round, the following procedures will apply to the second tariff acceleration round, subject to future modifications.

## **I. Articles which May be Petitioned**

Petitions for accelerated tariff elimination may be filed only for articles for which the duty is currently scheduled to be eliminated after January 1, 1998, as noted in Annex 302.2 of the NAFTA, and modified by the first tariff acceleration round and any additional tariff reductions implemented by each of the parties. Requests may be made to the United States government with respect to trade in originating products between the United States and Mexico. As noted above, all applicable trade between the United States and Canada will be duty free on January 1, 1998, that is, before the conclusion of the second tariff acceleration round. Therefore, no U.S.-Canada requests will be considered. In addition, no U.S.-Mexico requests will be considered for products with tariff elimination currently scheduled for January 1, 1998. Finally, requests for elimination of duties between Mexico and Canada can be requested through the United States government only when U.S.-Mexico duties are also subject to that request. Requests for accelerated duty elimination on trade solely between Mexico and Canada should be made to the governments of Mexico or Canada.

USTR will generally not act on a petition unless most U.S. producers of that particular product consider the request for acceleration to be non-controversial. Petitions may request acceleration of reductions by one or all of the NAFTA parties. Normally, the acceleration of the elimination of tariffs will be pursued on a reciprocal basis. Since the consultations will be trilateral, petitions requesting acceleration by other than all parties must note the reasons for excluding any party.

### **Regarding products subject to petitions filed in 1994:**

All products subject to petitions in 1994 must refile petitions in order to be considered.

1) Products considered for, but not granted, accelerated reductions are subject to the limitations noted above. A list of these products appeared in the *Federal Register* on May 23, 1994, (59, FR 26688). If met, petitions submitted in 1994 can be considered in this second round. However, the NAFTA parties will consider petitions on previously rejected requests only when there is evidence that conditions have changed sufficiently since the prior decision to merit reconsideration. As for any other request, petitioners must file new, complete, petitions to have such requests considered.

2) Products subject to petitions filed in 1994 but not considered in the first round can be

considered in the second round, if they will continue to be dutiable after January 1, 1998. However, due to the time elapsed since these petitions were received, petitioners are asked to file new petitions to confirm their continued interest and provide updated information.

## **II. Timetable**

Petitions requesting consideration of accelerated duty elimination are due at USTR by 5:00 p.m., June 13, 1997. USTR will then publish a preliminary list of the products to be presented to Mexico and request comments on this list as specified in that notice. Trilateral meetings will begin shortly thereafter, with the announcement of the agreed package of accelerated tariffs to be made by December 15, 1997. Implementation under the applicable domestic procedures will then begin in each country, and should be completed in approximately 90 days. Advice from the United States International Trade Commission (USITC) and the Trade Advisory Committees will also be requested for all products on the preliminary list.

## **III. Format of Petitions**

A model petition format and the information requested is shown in the annex to this notice. In order to be considered, petitions for accelerated tariff eliminations must conform to the model format and contain all essential data elements.

If a submission contains business confidential material, the specific material must be so identified in order to receive confidential treatment. In such cases, both a non-confidential and a business confidential version of the petition, each clearly marked as to its status, must be submitted. None of the information provided in sections A and B of the petition may be designated business confidential.

A copy of the petition format and this notice can be obtained from the Office of the Western Hemisphere, Office of the United States Trade Representative (USTR), Room 522, 600 17th Street, NW, Washington, D.C. 20508, telephone (202) 395-3412. Petitioners are encouraged to submit requests to USTR via the Internet or on a properly formatted computer disk. The form, and instructions for electronic submissions can be obtained, beginning May 20, 1997, from the USTR Internet home page: [www.ustr.gov](http://www.ustr.gov) under the "What's New" heading.

## **IV. General Instructions**

1. Each harmonized tariff system (HTS) number must have a separate petition; that is, each petition may request accelerated tariff elimination for a single product only. All information contained in a petition must pertain solely to the single product that is the subject of the petition. A single petition requesting acceleration on more than one product cannot be considered.

2. Product description (number 5). Petitions for acceleration of an entire 8-digit tariff subheading must provide the HTS descriptions for the United States and Mexico, and for Canada when relevant. Whenever possible, petitions should be for the entire 8-digit tariff line. However, petitions for acceleration for only certain products classified within an 8-digit subheading can be

considered when necessary. Such petitions must provide the following additional information in Section C:

- a. A full and complete description of the article;
- b. The article's principal use in the United States;
- c. The reason the full tariff line should not be considered;
- d. The article's commercial, common or technical name or designation; and, as appropriate:
  - (1) Illustrative literature;
  - (2) The relative quantity by weight of each component materials for articles composed of two or more materials;
  - (3) Chemical analysis, flow charts, CAS number, etc.;
- e. Any other information that may assist in determining the appropriate tariff classification of the article;
- f. A statement of the reason(s) the petitioner believes that the article is classified in the 8-digit tariff subheading which the petitioner has entered in number 7 of the petition (e.g., outstanding classification by Customs or a classification by Customs on liquidated entries of the article in question) and;
- g. A copy of any rulings issued by the U.S. Customs Service or the appropriate authorities in the Government of Mexico specifying the classification of the petitioned product in the Harmonized Tariff Schedule of the United States, and the Tariff Schedule of Mexico.
- h. A statement of the reasons why accelerated duty elimination should be considered for only a portion of the 8-digit tariff subheading.

Petitions for products within an 8-digit which do not provide the above information cannot be considered. Brand names or trademarks are not acceptable as product descriptions for this purpose and their use may result in rejection of the petition.

3. 8-digit tariff subheadings (number 6). Petitions for acceleration of tariff elimination under the 1997 U.S. and Mexican tariff schedules must provide the correct applicable 8-digit tariff subheading number for each of the tariff schedules. As noted above, not more than one 8-digit subheading in each tariff schedule must be listed in a petition. The tariff subheading is requested for Canada in the event Mexico and Canada consider acceleration. Commodity numbers contained in Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States, cannot be substituted for the number of the 8-digit tariff subheading in the United States, Mexican or Canadian tariff schedules. Petitions using Schedule B commodity numbers for this purpose cannot be considered. Petitioners are responsible for assuring that the products of interest are classified in the tariff subheading being petitioned. We recommend that petitions include the information described in paragraph 3 above on representative products for which the petitioner is seeking accelerated tariff elimination.

4. Petitioner/product relationship (number 7). At least one item must be checked. If item "e", "j" or "o" is checked, specify the relationship or interest that the petitioner has in the product.

5. Supplemental information (Section C). This section of the petition should be used to provide information supplementing that provided in numbers 1 through 11 (specify the relevant number(s) being supplemented), or any other relevant information that may assist in consideration of the petition.

6. Submission of petitions.

a. Electronic submissions: USTR prefers that petitions be submitted in electronic form, either interactively via the Internet, or by submission of floppy disk. If disks are being submitted, one hard copy of each petition should also be enclosed; if multiple requests are being filed, they may be submitted on a single disk, with a hard copy list of all the petitions by HTS number included. The form, and instructions for electronic submissions can be obtained, beginning May 20, 1997, from the USTR Internet home page: [www.ustr.gov](http://www.ustr.gov) under the "What's New" heading. Technical questions regarding electronic submission may be made after May 20 by contacting the USTR computer operations office at (202) 395-3417 during business hours.

b. Paper submissions: Petitions must be type-written and submitted in 10 copies, in English, at the earliest possible date, but not later than June 13, 1997 to: Office of the Western Hemisphere, Office of the United States Trade Representative, Room 501, 600 17th Street, NW, Washington, D.C. 20508, ATTN: NAFTA Tariff Acceleration desk. Petitions received after the deadline cannot be considered.

## **V. Consideration of Petitions**

All petitions received by June 13, 1997, and containing complete and correct information as required in this notice will be reviewed and a decision made as to which articles will be proposed to the Government of Mexico for possible accelerated tariff elimination. As noted above, petitions for articles on which the duty is currently scheduled for elimination on or before January 1, 1998 in Annex 302.2 of the NAFTA, as modified, cannot be considered.

Petitions not containing complete and accurate information required in numbers 1 through 11 of sections A and B cannot be considered.

Petitions for products previously considered for acceleration under the NAFTA will be considered only if USTR determines that circumstances have sufficiently changed to warrant reconsideration at this time. Such petitions should include information in Section C of the petition documenting such a change. Products considered in the first NAFTA rounds are listed in the **Federal Register** notice of May 23, 1994, Volume 59, Number 98, at pages 26688 through 26690. Information on whether a product was considered in the first NAFTA product round may also be obtained from: The Office of the U.S. Trade Representative, NAFTA Acceleration Help Desk (202) 395-3412, or The U.S. Department of Commerce, Office of NAFTA (202) 482-0305.

Normally, the accelerated elimination of tariffs between the United States and Mexico will be pursued on a reciprocal basis. Petitions containing requests for the accelerated elimination of Mexican tariffs will be treated as applying equally to corresponding U.S. tariff treatment, and vice versa. Petitions requesting other than reciprocal acceleration must note the reasons for the

exclusion of the other party.

---

Peter F. Allgeier

Associate U.S. Trade Representative for the Western Hemisphere

**Model Petition To Accelerate the Removal of Tariffs  
Under the North American Free Trade Agreement**

1997 Round Form for U.S. Petitioners

**Section A. Petitioner Identification**

1. Petitioner (firm or organization): \_\_\_\_\_  
\_\_\_\_\_

2. Address: \_\_\_\_\_  
\_\_\_\_\_

3. Contact Person: \_\_\_\_\_ 4. Telephone Number: (\_\_\_\_) \_\_\_\_\_  
\_\_\_\_\_

**Section B. Product Identification and Tariff Information**

5. Product Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Important: See paragraph 3 of General Instructions. Supplement in Section C if necessary.)

6. Provide the tariff subheading in which the product is classified (minimum of 8 digits):

- a. \_\_\_\_\_ in the 1997 Harmonized Tariff Schedule of the United States
- b. \_\_\_\_\_ in the 1997 Tariff Schedule of Mexico
- c. \_\_\_\_\_ in the 1997 Customs Tariff of Canada

NOTE: PETITIONS CANNOT BE ACCEPTED WITHOUT THIS INFORMATION.

6. Petitioner / Product Relationship (check all that apply):

- |   |  |
|---|--|
| a. <input type="checkbox"/> Producer in the United States | i. <input type="checkbox"/> Consumer in Mexico |
| b. <input type="checkbox"/> Importer in the United States | j. <input type="checkbox"/> Other, in Mexico   |
| c. <input type="checkbox"/> Exporter in the United States | Specify: _____                                 |
| d. <input type="checkbox"/> Consumer in the United States | k. <input type="checkbox"/> Producer in Canada |
| e. <input type="checkbox"/> Other, in the United States   | l. <input type="checkbox"/> Importer in Canada |
| Specify: _____  | m. <input type="checkbox"/> Exporter in Canada |
| f. <input type="checkbox"/> Producer in Mexico            | n. <input type="checkbox"/> Consumer in Canada |
| g. <input type="checkbox"/> Importer in Mexico            | o. <input type="checkbox"/> Other, in Canada   |
| h. <input type="checkbox"/> Exporter in Mexico            | Specify: _____                                 |

8. Does this petition:

- a. covers all products in the U.S. tariff subheading provided above? ☐ Yes ☐ No  
b. covers all products in the Mexican tariff subheading provided above? ☐ Yes ☐ No  
c. covers all products in the Canadian tariff subheading provided above? ☐ Yes ☐ No

(Important: If "no" is checked for any country, the information required in paragraph 3 of the General Instructions for product descriptions of single products within a subheading must be provided with this petition.)

9. Under the NAFTA, the duty is currently scheduled to be eliminated on January 1:

For U.S. imports: ☐ Already Free (i.e., on or before January 1, 1998 )  
☐ 1999 ☐ 2000 ☐ 2001 ☐ 2002 ☐ 2003 ☐ 2004 ☐ 2005 ☐ 2006 ☐ 2007

For Mexico imports: ☐ Already Free (i.e., on or before January 1, 1998 )  
☐ 1999 ☐ 2000 ☐ 2001 ☐ 2002 ☐ 2003 ☐ 2004 ☐ 2005 ☐ 2006 ☐ 2007

10. Accelerated removal is requested for:

- a. ☐ the United States duty on Mexico    b. ☐ the Mexican duty on the U.S.

Note: if the request is not made for both parties, note reason for exclusion, such as current duty-free status.

11. The petitioner requests elimination of the tariff/s:

- a. ☐ immediately without further staging  
b. ☐ with accelerated staging                      Specify: \_\_\_\_\_

**Section C. Supplemental Information**

(Use additional pages as necessary.)



Signature of person filing the petition: \_\_\_\_\_

Title or position: \_\_\_\_\_

Date: \_\_\_\_\_

acc.3